

Instructions for Exempt Organizations Requesting a Tax Clearance Certificate

Introduction

This publication explains the minimum requirements for dissolving a domestic exempt organization or surrendering the right to transact business in California for a foreign exempt organization. All the forms and instructions you need to file with **both** the Secretary of State and Franchise Tax Board are available in Terminating a Corporation (FTB Pub. 1149).

The dissolution/withdrawal procedures for non-exempt corporations are somewhat different from those for exempt organizations. For guidance in the non-exempt dissolution/withdrawal process, refer to Instructions for Corporations Requesting a Tax Clearance Certificate (FTB Pub. 1038).

Organizations Not Incorporated or Qualified in California

Exempt organizations not incorporated or qualified in California must file a final return with us. The Secretary of State does not require these entities to dissolve or surrender. For more information, call our Exempt Organizations Section at (916) 845-4171.

Suspended Organizations

We cannot issue a tax clearance to a suspended organization. If your organization is suspended, we will give you revivor requirements in response to your request for tax clearance.

Tax Clearance

Both California and qualified foreign organizations must obtain a tax clearance from us to complete their dissolution or surrender with the Secretary of State. To obtain a tax clearance certificate, file a Request for Tax Clearance Certificate – Exempt Organizations (form FTB 3555A). Mail the completed form and the appropriate Secretary of State forms to:

**SECRETARY OF STATE
BUSINESS FILINGS
DOCUMENT FILING SUPPORT UNIT
1500 11TH STREET
SACRAMENTO CA 95814**

Your organization must file all required returns and pay all fees, taxes, penalties and interest due before we issue the tax clearance certificate. If we determine that a tax liability may exist, we will require your organization to do one of the following:

- File an assumption of tax liability.
- Post a surety bond.
- Post a cash bond.
- Request a Tax Clearance Certificate based on the taxes paid (final return).

We will send a copy of the tax clearance certificate to the Secretary of State, and, at your request, we will send a copy to your representative.

Assumption of Tax Liability

Use a Request for Tax Clearance Certificate – Corporations (form FTB 3555) to file an assumption of tax liability.

These forms must have a current date and an **original** signature. We will not accept a reproduced copy of the signature.

NOTE: The assumption of liability becomes effective when the organization completes its dissolution or surrender.

The assumption of tax liability may be filed by:

Assumer Type	Complete Form 3555, Pages
An individual	2 and 3
A corporation	4
A trust	2 and 3
An LLC or LLP	4

Surety Bond (Minimum \$2,000)

File your organization's Request for Tax Clearance Certificate – Exempt Organizations (form FTB 3555A) with a letter requesting a tax clearance based on a surety bond.

We will release the bond approximately one year after the termination of the organization when FTB's final audit determines there is no tax liability. This allows time for filing and processing the final tax return.

Cash Deposit (Minimum \$2,000)

File your organization's Request for Tax Clearance Certificate – Exempt Organizations (form FTB 3555A) with a letter requesting a tax clearance based on cash deposit.

Mail the cash deposit with a copy of our letter to:

**FISCAL ACCOUNTING
FRANCHISE TAX BOARD
PO BOX 2800
SACRAMENTO CA 95812-2800**

We will release the cash deposit approximately one year after the dissolution or surrender of your organization when FTB's final audit determines there is no tax liability. This allows time for filing and processing the final tax return.

Final Return/Taxes Paid

If the organization has ceased business and has filed, or is in the process of filing the final returns, we may issue a tax clearance certificate after FTB's final audit determines there is no tax liability.

File the final returns in the normal manner. Attach a copy of the final returns and a letter stating your intent to file for tax clearance. Also state when you filed the returns.

Rush Tax Clearance

If you need priority processing of your request for a tax clearance certificate, complete all the appropriate forms and include a letter explaining why you need a rush tax clearance. Submit them to the address below. We will determine if rush processing is appropriate. If your reason does not justify rush processing, we will notify you and process your request using our normal procedures.

Express or Overnight Mail is sent to:

**EXEMPT ORGANIZATIONS SECTION
FRANCHISE TAX BOARD
SACRAMENTO CA 95827**

How to Get Forms

By Internet: Franchise Tax Board forms at www.ftb.ca.gov

Secretary of State forms at www.ss.ca.gov

By Phone: For Franchise Tax Board forms, use our automated phone system. Call (800) 338-0505 and follow the recorded instructions. Our automated phone system is available from 6 a.m. to 8 p.m., Monday through Friday, except state holidays. Please allow 2 weeks to receive your order, or 3 weeks if you are outside of California.

For Secretary of State forms call (916) 657-5448.

In Person: Most libraries have Franchise Tax Board's California Package X that contains forms you can photocopy. Many also have the Package X on a CD-ROM.

By Mail: For Franchise Tax Board forms, send request to:

**TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307**

For Secretary of State forms, send request to:

**SECRETARY OF STATE
BUSINESS FILINGS
DOCUMENT FILING SUPPORT UNIT
1500 11TH STREET
SACRAMENTO CA 95814**

Telephone Assistance

Please call our Exempt Organizations Section at (916) 845-4171 if you need assistance. This is not a toll-free number.

Persons with Disabilities

We comply with provisions of the Americans with Disabilities Act. For persons with hearing or speech impairments: from voice phone call (800) 735-2922, or from TTY/TDD call (800) 822-6268.

Asistencia Bilingüe en Español

Para obtener servicios en Español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.